

I regret ExxonMobil will not be in attendance at the meeting -- We do have a couple of concerns:

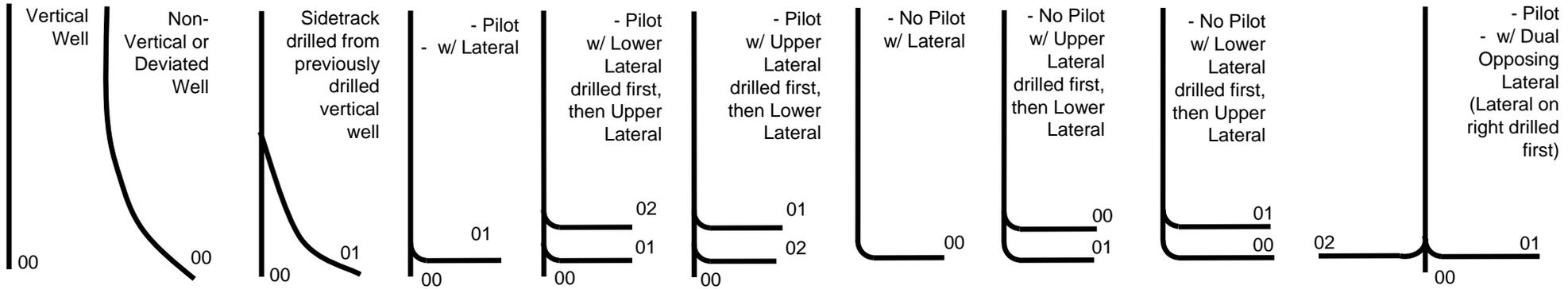
1 - There is a continued focus on identifying and numbering missing wellbores. Is the wellbore stick plot that Pat Pocock is talking about from the short PowerPoint Richard Chesney and Shannon Morrison built using the MMS NTL 2000-007? Here's a copy:
(See attached file: Well_Types_Examples.ppt)

2 - ExxonMobil had an opinion on the proposed NTL that Ron Castello passed along back in April. Here's our illustration of the problem:
(See attached file: Illustration of Potential Problem with MMS DRAFT NTL.ppt)

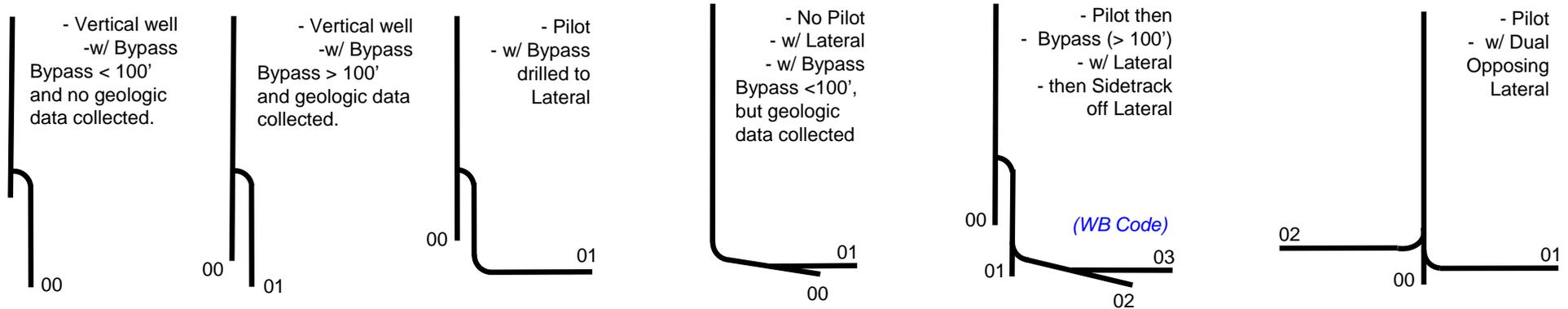
3 - Is there a schedule for areas cleaned and data released?

Thank you,
Madelyn Bell
Commercial Well Data Advisor

Example of Proposed Wells



Example of Drilled Wells



WB Codes are two digits. We identify the original hole by using a WB code of "00." For each and every sidetrack, bypass, or other wellbore drilled after the original hole (except well deepenings to the original intended target), we sequentially increment and assign the WB code. We changed the name of this code from the standard "ST" to "WB" to reflect the broader use of the code in this standard so as to identify all wellbores rather than just geologic sidetracks.

For various reasons in the past we did not assign MMS API numbers to some sidetracks and bypasses, and we accepted well name suffixes on various documents without any validation. For historic wells without MMS API numbers or validated well name suffixes, we will validate existing operator nomenclature or assign new names and numbers using WB codes in the range 70-89 when we obtain supporting data. We will NOT change existing API numbers already assigned, including wellbore codes, to comply with this standard.

Sidetrack – a drilling effort in which an additional hole is drilled by leaving a previously drilled hole at some depth below the surface and above the total depth. A whipstock or cement plug is set in the previously drilled hole, which is the starting point for the sidetracking operations. The drilling of a well after a slot reclamation (which previously had a well) is considered a sidetrack. This section of the hole is directionally drilled to a new objective bottomhole location (target). This is also called a geologic sidetrack

Bypass – a remedial drilling effort in which portions of a hole are redrilled around junk (i.e., lost tools, pipe, or other material blocking the hole), "lost holes" are redrilled, or "key seats" or "crooked holes" are straightened. This is also called a mechanical sidetrack.

If a bypass is less than 100 feet in length and has NO associated geologic data or directional survey, we will not assign an API well number.

Horizontal (Lateral) Well – a well with a borehole whose angle of deviation is 75 degrees or greater for more than four consecutive directional survey points.

Excerpt from United States Department of the Interior Minerals Management Service, NTL No.2000-N07, November, 2000, pp.2-5.

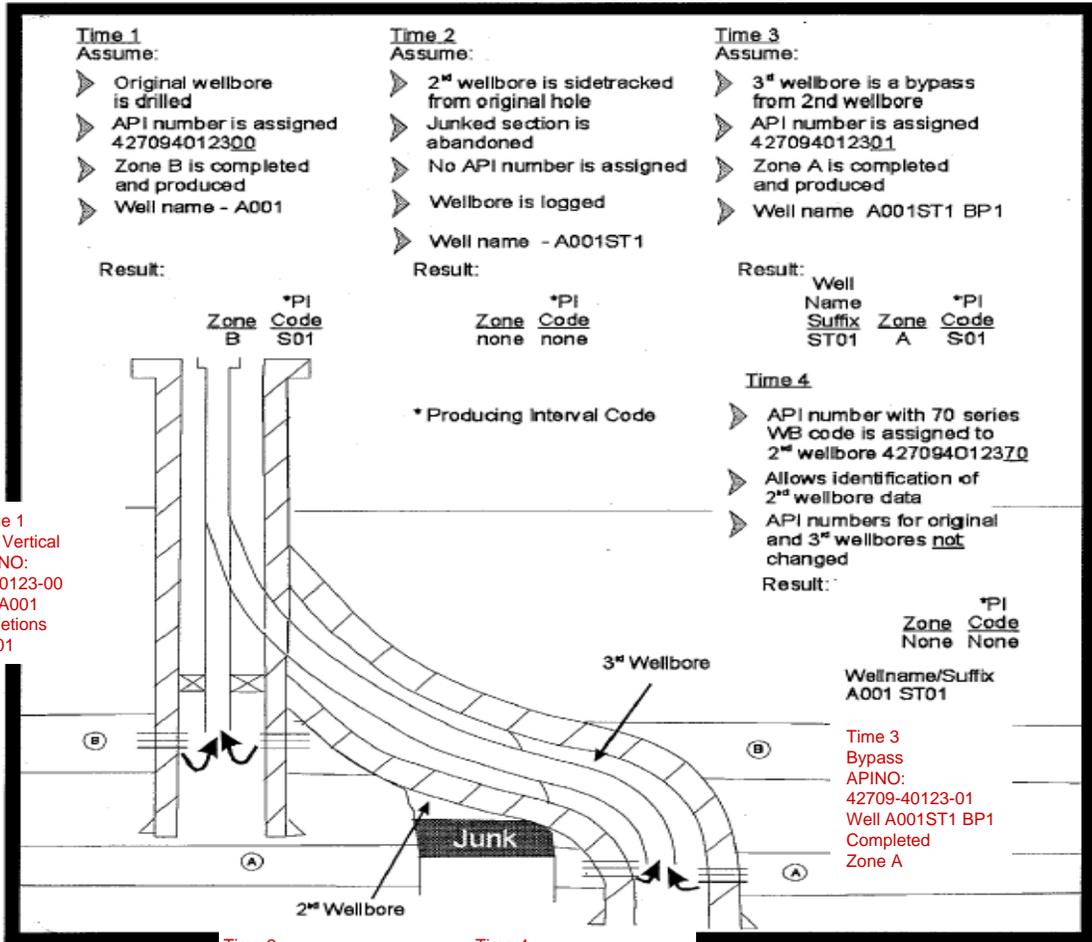
Exhibit 3 Historical Wellbore With No API Number Assigned

Vertical well with production,
sidetracked (junked), then bypassed
and completed

Note: Historical sidetracks, bypasses, well deepenings, etc., that were not initially assigned an API number can be assigned an API number with a 70 series WB code at a later time, so that any wellbore data can be identified. API numbers already assigned will not be changed.

Bypass – a remedial drilling effort in which portions of a hole are redrilled around junk (i.e., lost tools, pipe, or other material blocking the whole), “lost holes” are redrilled, or “key seats” or “crooked holes” are straightened. This is also called a mechanical sidetrack.

If a bypass is less than 100 feet in length and has NO associated geologic data or directional survey, we will not assign an API well number.



Time 1
Drilled - Vertical
APINO:
42709-40123-00
Well A001
Completions
S01

Time 2
Sidetracked
APINO: Not Assigned
Well A001ST1
J&A

Time 3
APINO:
42709-40123-70
Well A001ST1
J&A

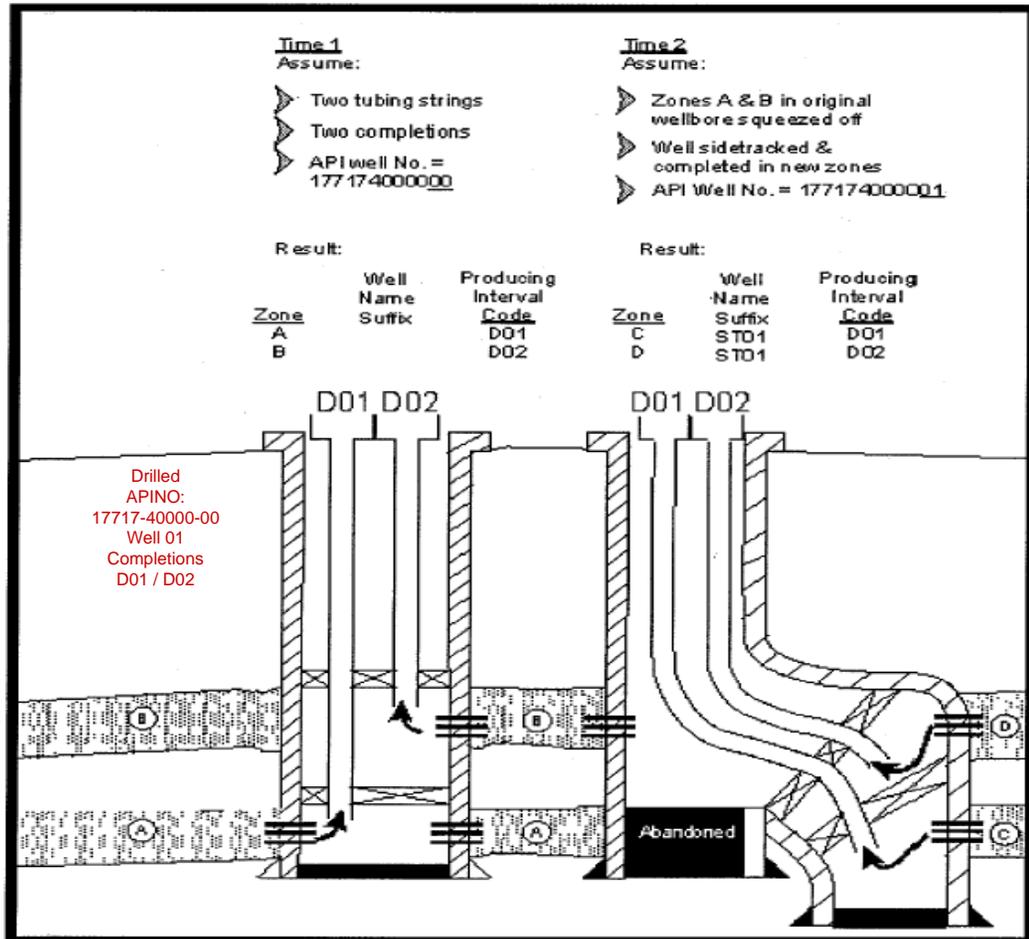
Time 3
Bypass
APINO:
42709-40123-01
Well A001ST1 BP1
Completed
Zone A

- | | | | | | | | | | | | | | | | | |
|--|--------------------|--------------------|--|------|-----|------|------|------|------|--|------------------------|------|-------------|------|---|-----|
| <p>Time 1
Assume:</p> <ul style="list-style-type: none"> ▶ Original wellbore is drilled ▶ API number is assigned 427094012300 ▶ Zone B is completed and produced ▶ Well name - A001 <p>Result:</p> <table border="0"> <tr> <td style="text-align: center;">Zone
B</td> <td style="text-align: center;">*PI
Code
S01</td> </tr> </table> | Zone
B | *PI
Code
S01 | <p>Time 2
Assume:</p> <ul style="list-style-type: none"> ▶ 2nd wellbore is sidetracked from original hole ▶ Junked section is abandoned ▶ No API number is assigned ▶ Wellbore is logged ▶ Well name - A001ST1 <p>Result:</p> <table border="0"> <tr> <td style="text-align: center;">Zone</td> <td style="text-align: center;">*PI</td> <td style="text-align: center;">Code</td> </tr> <tr> <td style="text-align: center;">none</td> <td style="text-align: center;">none</td> <td style="text-align: center;">none</td> </tr> </table> <p style="text-align: center;">* Producing Interval Code</p> | Zone | *PI | Code | none | none | none | <p>Time 3
Assume:</p> <ul style="list-style-type: none"> ▶ 3rd wellbore is a bypass from 2nd wellbore ▶ API number is assigned 427094012301 ▶ Zone A is completed and produced ▶ Well name A001ST1 BP1 <p>Result:</p> <table border="0"> <tr> <td style="text-align: center;">Well
Name
Suffix</td> <td style="text-align: center;">Zone</td> <td style="text-align: center;">*PI
Code</td> </tr> <tr> <td style="text-align: center;">ST01</td> <td style="text-align: center;">A</td> <td style="text-align: center;">S01</td> </tr> </table> | Well
Name
Suffix | Zone | *PI
Code | ST01 | A | S01 |
| Zone
B | *PI
Code
S01 | | | | | | | | | | | | | | | |
| Zone | *PI | Code | | | | | | | | | | | | | | |
| none | none | none | | | | | | | | | | | | | | |
| Well
Name
Suffix | Zone | *PI
Code | | | | | | | | | | | | | | |
| ST01 | A | S01 | | | | | | | | | | | | | | |

- Time 4**
- ▶ API number with 70 series WB code is assigned to 2nd wellbore 427094012370
 - ▶ Allows identification of 2nd wellbore data
 - ▶ API numbers for original and 3rd wellbores not changed
- Result:
- | | | |
|-----------------|------|------|
| Wellname/Suffix | *PI | Code |
| A001 ST01 | None | None |

Exhibit 1 Sidetrack Well

Vertical well w/ production then sidetracked and recompleted



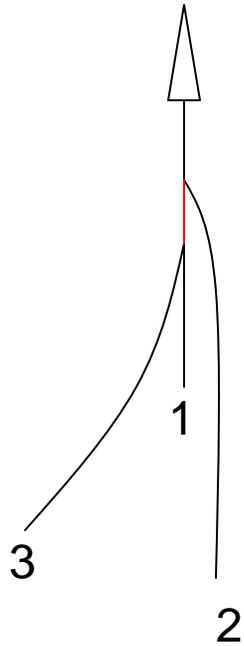
Note: Since a sidetrack creates a unique API Well No. all completions are assigned new producing interval codes independent of original wellbore.

Sidetrack – a drilling effort in which an additional hole is drilled by leaving a previously drilled hole at some depth below the surface and above the total depth. A whipstock or cement plug is set in the previously drilled hole, which is the starting point for the sidetracking operations. The drilling of a well after a slot reclamation (which previously had a well) is considered a sidetrack. This section of the hole is directionally drilled to a new objective bottomhole location (target). This is also called a geologic sidetrack.

State Code	County Code	Sequence Code	WB Code
99	999	99999	99
42	423	30581	00

Sidetracked
APINO:
17717-40000-01
Well ST01
Completed
D01 / D02

MMS Standards



- 1 – Drilled in 1985, J&A'd – logs had been run
- 2 – Bypassed wellbore #1 to original target, completed and produced hydrocarbons
- 3 – Today – new target identified, P&A wellbore #2 to drill sidetrack from deeper in original wellbore #1.

Because no hydrocarbons were produced, the MMS did not recognize wellbore #1, ExxonMobil assigned wellbore code of '70' to track data internally that was collected for wellbore #1. It was not sent to the MMS.

MMS assigned wellbore code of '00' in the API# they assigned to wellbore #2. ExxonMobil sent data for wellbore #2 and for wellbore #1 uphole of the sidetrack to MMS.

MMS assigned wellbore code of '01' in the API# they assigned to wellbore #3. There is a portion of wellbore #1, uphole of Wellbore #3 that was never submitted to MMS. See Highlighted area on drawing (red line). At this point, MMS recognizes all wellbores, even if they don't produce.

How will MMS handle the wellbore #3 situation?

The MMS should not require that uphole data had previously been submitted in this '70' series scenario.